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June 27, 2018

VIA ECFS AND ELECTRONIC MAIL

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-A306
Washington, DC 20554

**Re: Certification for Stage 1 Funding
WC Docket Nos. 18-143, 10-90 and 14-58**

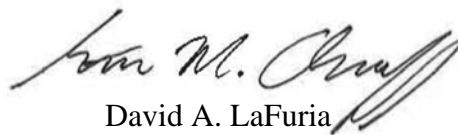
Dear Secretary Dortch:

On behalf of PRWireless PR, LLC (“PRWireless” or “the Company”), please find attached a redacted public version of PRWireless’s Certification for Stage 1 Funding, submitted pursuant to the Commission’s *Order and NPRM*¹ (“Certification”). The attached Certification has been marked “**REDACTED – FOR PUBLIC INSPECTION.**”

PRWireless is also submitting to the Commission, via hard copy, a confidential version of the Certification. The confidential version is marked “**CONFIDENTIAL – NOT FOR PUBLIC INSPECTION.**”

Please contact Steven M. Chernoff, Esq., at 703-584-8670 if any questions arise concerning the above-referenced enclosures or if you require any additional information.

Sincerely,



David A. LaFuria
Steven M. Chernoff

Attorneys for:
PRWireless PR, LLC

Attachment

¹ The Uniendo a Puerto Rico Fund and the Connect USVI Fund, FCC 18-57, WC Docket Nos. 18-143, 10-90 and 14-58, *Order and Notice of Proposed Rulemaking* (rel. May 29, 2018) (“*Order and NPRM*”).

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
The Uniendo a Puerto Rico Fund and the)	
Connect USVI Fund)	WC Docket No. 18-143
)	
Connect America Fund)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	

CERTIFICATION FOR STAGE 1 FUNDING

PRWireless PR, LLC (“PRWireless” or “Company”), by counsel and pursuant to the Commission’s *Order and NPRM* in the above-captioned dockets,¹ hereby provides its certification regarding the number of subscribers it served as of June 30, 2017, for purposes of receiving Stage 1 support. Because it now serves additional subscribers as a result of a recent transaction with Sprint Corporation (“Sprint”), PRWireless asks the Commission to allow the inclusion of certain categories of subscribers Sprint served as of June 30, 2017, so that it can receive Stage 1 support appropriate to the newly combined network and subscriber base.

I. BACKGROUND

PRWireless, Inc. d/b/a Open Mobile (“Open Mobile”), a facilities-based provider of Commercial Mobile Radio Service (“CMRS”), was designated as an eligible telecommunications

¹ The Uniendo a Puerto Rico Fund and the Connect USVI Fund, FCC 18-57, WC Docket Nos. 18-143, 10-90 and 14-58, *Order and Notice of Proposed Rulemaking* (rel. May 29, 2018) (“*Order and NPRM*”).

carrier (“ETC”) on May 30, 2007, for purposes of receiving federal and state universal service support. Effective November 15, 2017, Open Mobile and Sprint entered into a joint venture which resulted in the formation of a new limited liability company, PRWireless PR, LLC (“PRWireless”). PRWireless is a 100% subsidiary of PRWireless HoldCo, LLC, which in turn is jointly owned by both PRWireless PR, Inc. and Sprint. All of Sprint’s equity in its subsidiaries that held certain licenses for spectrum in Puerto Rico and the U.S. Virgin Islands, as well as related wireless network assets, employees, retail stores and retail subscribers or subscriber revenues, were conveyed to PRWireless. PRWireless PR, LLC is the surviving entity that now holds all of the combined FCC authorizations, operates as a CMRS provider,² and provides universal service as an eligible telecommunications carrier (“ETC”).³

As a result of the transaction, PRWireless serves approximately 80% more subscribers than did its predecessor, Open Mobile. In the transaction, Sprint conveyed all of the prepaid subscribers it served – under the Sprint prepaid, Boost, and Virgin brands – to PRWireless. Although Sprint did not contribute its post-paid subscribers, PRWireless serves those customers pursuant to a management agreement with Sprint. PRWireless serves this larger subscriber base with a network that now includes antennas, towers, microwave dishes, and other facilities that formerly belonged to Sprint. The combined network has 60% more cell sites than the pre-

² See, *Mocion Informativa y Solicitud de Modificacion de Registro CMRS*, Caso Num. JRT-CMRS-0128 (filed with TRB Nov. 17, 2017).

³ See, *Mocion Informativa y Reiterando Solicitud de Orden Aprobando Modificacion de Certificado de Compania Elegible de Servicio Universal*, Caso Num. JRT-ETC-0008 (filed with TRB Nov. 17, 2017).

transaction Open Mobile network. The combined transport/backhaul infrastructure is also bigger, having absorbed a 50% increase in microwave links.

This now-combined network experienced widespread devastation from Hurricane Maria. It will require significant expenditures to repair damage and restore critical telecommunications and broadband service to this combined customer base.

II. DISCUSSION

A. Certification of Open Mobile Subscriber Counts.

PRWireless hereby certifies that its corporate predecessor, Open Mobile, served the number of voice and broadband Internet access subscribers reported on its FCC Form 477 reporting data as of June 30, 2017.⁴

B. Certification of Additional Subscribers.

In addition to the number of subscribers served by Open Mobile as of June 30, 2017, PRWireless hereby certifies to additional categories of customers served as of June 30, 2017, to reflect the newly combined network and subscriber base that resulted from the Sprint transaction. These subscribers were not served by Open Mobile on June 30, 2017; they were served by Sprint. Accordingly, PRWireless requests that the Commission make an exception to its policy of basing Stage 1 support on the number of subscribers served by the filing carrier as of June 30, 2017. A grant of the requested exception will ensure a level of Stage 1 support that reflects the newly combined subscriber base PRWireless serves, and the newly combined wireless network that PRWireless operates to serve those customers.

⁴ See Declaration of Juan Saca, attached hereto as Exhibit A.

First, PRWireless seeks to include the prepaid subscribers Sprint conveyed as part of the transaction. These are now PRWireless subscribers. Provided immediately below are the categories of prepaid subscriber (by brand) along with the corresponding number of subscribers who were served by Sprint as of June 30, 2017:

Sprint Prepaid:
 Boost Mobile:
Virgin Mobile:
 Total:

Second, PRWireless seeks to include the post-paid subscribers served by Sprint in Puerto Rico as of June 30, 2017. PRWireless hereby certifies that as of June 30, 2017, Sprint served _____ post-paid subscribers in Puerto Rico. These subscribers were not conveyed to PRWireless as part of the transaction. However, PRWireless manages these subscribers pursuant to an agreement with Sprint. Specifically, PRWireless distributes Sprint products and provides services through its distribution channels to these postpaid subscribers, manages these subscribers through PR Wireless network, conducts advertising and promotional activities, and manages the customer relationship. In addition, those subscribers roam on PRWireless' network, just as former Open Mobile customers who were conveyed to the joint venture can roam on Sprint's network. Also, PRWireless and Sprint concluded a RAN-sharing deal that allows these Sprint customers to roam on the PRWireless network and vice versa. This means Sprint's post-paid customers, in addition to the prepaid customers it contributed to the joint venture, are served by the facilities that now make up the combined network.

As evidence of these subscriber counts, PRWireless refers to Sprint’s FCC Form 477 providing data as of June 30, 2017.⁵ In addition, PRWireless attaches a declaration from Sprint certifying to these customer counts and approving of their inclusion in the instant certification.⁶ In its declaration, Sprint also confirms that it is not seeking Stage 1 support for its own network, removing any possibility of the two companies filing overlapping subscriber counts.

C. PRWireless Should Receive Stage 1 Funding Based on a Combined Pre-Transaction Open Mobile and Sprint Customer Count.

The efforts PRWireless will undertake in the short term will require a level of funding that reflects the combined network it now operates. However, the Commission has adopted a policy that Stage 1 funding will be paid at a level determined by the number of subscribers who were served by the certifying entity as of June 30, 2017. Because PRWireless now serves a much larger subscriber base that includes customers who were served by Sprint on that date, simply certifying to the number of subscribers served by PRWireless’ predecessor would result in a level of funding that corresponds to only a portion of the network PRWireless now operates. Accordingly, PRWireless requests that the Commission make an exception to its policy and permit the inclusion of the categories of subscribers served by Sprint as of June 30, 2017, in addition to those served by Open Mobile.

Making an exception to permit the combined customer count would serve the Commission’s objectives underlying Stage 1 funding. In the *Order and NPRM*, the Commission

⁵ Please note that FCC Form 477 does not break out subscriber numbers in the manner needed for present purposes (i.e., by prepaid vs. post-paid); accordingly, PRWireless cannot simply reference Sprint’s Form 477. The broken-out numbers are provided above, subject to a request for confidential treatment.

⁶ See Declaration of Claudio Hidalgo, attached hereto as Exhibit B.

found that it would be in the public interest to provide short-term funding to help carriers “restore and maintain service as quickly as possible for as many people as possible during that interim period.”⁷ If the Commission accepts the combined customer count, as requested herein, PRWireless will receive support that is appropriately scaled to the combined network that it now operates and which it must now repair and rebuild. This level of support is needed for PRWireless to undertake many different types of network restoration projects, including:

- Increase the percentage of sites with generators or other types of power backup;
- Acquire and install reserve fuel tanks in different parts of the island, so the distribution and dispatch of fuel to the sites be faster and more efficient;
- Deploy additional capacity to handle traffic resulting from the non-availability of other media of accessing the internet (cable modems, DSL, etc.) during extensive power outages (mobile networks handled around 30% more data traffic than the normal hurricanes emergencies last year);
- Increase redundancy in fiber/microwaves-based backhaul topologies to minimize outages; and
- Deploy solar-based power systems.

Accordingly, the provision of a level of support reflecting the combined network and subscriber base will enable PRWireless to maximize its ability to restore service as quickly as possible, consistent with the public interest benefits articulated in the *Order and NPRM*.

Strict application of the Commission’s policy of basing Stage 1 support on the certifying entity’s customer counts would not be in the public interest. If PRWireless is only permitted to

⁷ *Order and NPRM, supra*, at para. 14.

certify to the number of subscribers served by Open Mobile prior to the transaction, then its Stage 1 funding will not reflect the much larger subscriber base it serves as a result of the Sprint transaction. The resulting funding would be disproportionately low compared to the costs it will incur as it repairs and restores the newly combined network that serves this larger subscriber base. This would frustrate the purpose of the Stage 1 funding mechanism by leaving PRWireless with an amount of support suited for a much smaller network than the one it must now repair, solely because the Commission's June 30, 2017 line count snapshot precedes the date on which the transaction closed.⁸

⁸ PRWireless does not believe a waiver is required for these additional categories of subscribers to be included. No provision of the rules applies to the Uniendo a Puerto Rico Fund, to the receipt of Stage 1 funding, or to limit the receipt of funding to facilities-based providers that served subscribers on June 30, 2017. Nonetheless, should the Commission believe a waiver is needed, PRWireless requests in the alternative that the Commission waive its requirement and allow the inclusion of the specified number of subscribers served by Sprint on June 30, 2017.

The Commission may waive its rules based upon a showing of good cause, and it may exercise its discretion to waive a rule where the facts of a particular case support a conclusion that strict enforcement of the rule would not be in the public interest. *See, Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("*Northeast Cellular*") (citing *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969) ("*WAIT Radio*"), *cert. denied*, 409 U.S. 1027 (1972)). The Commission may also take into consideration, on a case-by-case basis, factors involving equity, hardship, and more effective implementation of overall Commission policy. *See, e.g., Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, Sprint Communications Company, L.P. Petition for Waiver*, CC Docket No. 94-129, Order, DA 00-620 (rel. Mar. 17, 2000), at para. 4 (citing *WAIT Radio*, 418 F.2d at 1157). "Waiver of the Commission's rules is therefore appropriate only if special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest." *Micronesian Telecommunications Corporation and PTI Pacifica, Inc., Request for Waiver of Section 54.418 of the Commission's Rules*, CC Docket No. 96-45, *DTV Consumer Education Initiative*, MB Docket No. 07-148, Order, DA 08-1029 (WCB rel. Apr. 30, 2008), at para. 6 n.20 (citing *Northeast Cellular*, 897 F.2d at 1166). (cont'd on next page)

III. CONCLUSION

For purposes of receiving Stage 1 Uniendo a Puerto Rico Fund support, PRWireless certifies above to the number of subscribers served by its predecessor, Open Mobile, as of June 30, 2017. PRWireless also asks the Commission to permit it to certify to a combined customer count that includes subscribers served by Sprint as of June 30, 2017, in addition to those served by Open Mobile, to ensure that PRWireless receives Stage 1 support that is appropriate to the combined network it now operates as a result of the Sprint transaction.

Respectfully submitted,

PRWIRELESS PR, LLC



By : _____

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Its Attorneys

June 27, 2018

(cont'd) For the reasons set forth in Section C. above, PRWireless submits that strict application of the Commission's Stage 1 funding line count policy would not be in the public interest in this case, and that there is, therefore, good cause for a waiver.

EXHIBIT A

DECLARATION OF JUAN SACA

I, Juan Saca, do hereby declare as follows:

1. I am the Chief Executive Officer of PRWireless PR, LLC.
2. I have read the foregoing Certification for Stage 1 Funding and Request for

Waiver, and the facts set forth in the document are based on my personal knowledge, except for the facts regarding customers formerly served by Sprint, which is based on information provided by Sprint. I believe all of these factual statements to be true and accurate.



Juan Saca

COMMONWEALTH OF PUERTO RICO }
COUNTY OF GUAYNABO }

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The foregoing instrument was subscribed and sworn to before me this 27 day of JUNE, 2018 by JUAN DAVID SACA, as the President and CEO of PRWireless PR, LLC, who is personally known to me. In Guaynabo, Puerto Rico.



{ SEAL }


Notary Public

Printed Name: Karla L. Pinero Norat

Notary Public in and for the State of Puerto Rico

Commission No.: RUA 16753

Commission Expiration Date: N/A

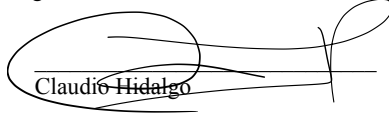


EXHIBIT B

DECLARATION OF CLAUDIO HIDALGO

I, Claudio Hidalgo, do hereby declare as follows:

1. I am the Regional President, Northeast, Puerto Rico & USVI for Sprint Corporation.
2. I have read the foregoing PRWireless PR, LLC Certification for Stage 1 Funding ("PRWireless Certification").
3. Sprint supports the inclusion of the categories of customers set forth in the PRWireless Certification served by Sprint as of June 30, 2017, including Sprint post-paid customers who were not conveyed to PRWireless PR, LLC but who are managed by said company.
4. The statements in the PRWireless Certification regarding the number of customers served by Sprint as of June 30, 2017 are based on my personal knowledge. I believe all of these factual statements to be true and accurate.
5. Sprint will not seek funding from Stage 1 of the Uniendo a Puerto Rico Fund.



Claudio Hidalgo